

**THE LABOR COMMISSION
WORKERS' COMPENSATION ADVISORY COUNCIL**

**Wednesday, September 10, 2014 – 12:00 P.M.
Utah Labor Commission Offices – Room 319
Salt Lake City, Utah**

The following Advisory Council members were in attendance:

Dennis Lloyd, Workers Compensation Fund (for Ray Pickup)
Edward Holmes, M.D., Summit View Medical
Tomasz Serbinowski, Utah Dept of Insurance
Dave Davis, President, Utah Food Industry Association
Reo Castleton, President, SL Cnty Fire Dept Local 1696
Brian Kelm, attorney
Kathleen Bissell, Liberty Mutual
Brandt Goble, Painters and Tapers Local 77
Brandon Dew, Central Utah Federation of Labor
Jeff Rowley, Salt Lake County
Rich Thorn, Associated General Contractors

The following Advisory Council members were excused:

Rep. Jim Dunnigan
Todd Bingham, President, Utah Manufacturers Association
Sen. Karen Mayne
K. Dawn Atkin, Esq., Atkin & Associates
David Bird, Esq., Parsons Behle and Latimer

Others Present:

Sherrie Hayashi, Commissioner
Jaceson Maughan, Deputy Commissioner
Ron Dressler, Division Director, Industrial Accidents, Labor Commission
Sara Danielson, Utah Labor Commission, Administrative Assistant
David Lamb, Utah Labor Commission, Administrative Services Director
Elena Bensor, Workplace Safety Coordinator, Labor Commission
Dr. Jeremy Biggs, Adjudication Division Medical Director, Labor Commission
Rod Morris, Deloitte Consulting
Kathy Archuleta, UID
Stan Mead, Novation
Sarah, Nitta, Novation
Julie Clark, State Risk Management
Chris Purcell, State Farm
David Grow, State Farm
Jodi Smith, Intermountain Healthcare

WELCOME

Welcome –Commissioner, Sherrie Hayashi brought the meeting to order at 12:07 p.m.

Miscellaneous Business – Commissioner

Commissioner Hayashi presented the minutes of the last meeting and asked for comments. Dave Davis moved to approve the minutes as written. Rich Thorn seconded the motion. Voting was unanimous in the affirmative.

Workplace Safety Account

Commissioner Hayashi asked Elena Bensor to inform the counsel regarding the Workplace Safety Account. Elena stated that there would be a press release sent out today regarding the opening of the Grant Applications for the 2015 calendar year Grants. Application need to be filed by 5:00 pm on October 6, 2014. She stated that there would be approximately \$500,000 available for the grants.

There were questions regarding the accounting of monies received by the Tax Commission and distributed to the Workplace Safety Account. Ron Dressler and Dave Lamb agreed that the problem with the Tax Commission seems to have been resolved.

Labor Commission Budget/Premium Surcharge Funds

Commissioner Hayashi asked Ron Dressler to update the council on the RFI for the ERF. Ron stated that the RFI (request for information) is out for bid. The bid will close on September 19. The information received from the RFI will be reviewed as quickly as possible. There might be a need for a special Council meeting to discuss the information provided by the RFI responses. If the Commission hires consultants, those consultants are not eligible to bid on the RFP.

Commissioner Hayashi asked Dave Lamb to review the financials for the restricted funds. Dave handed out spreadsheets and reviewed the information contained therein.

Commissioner Hayashi asked Rod Morris from Deloitte Consulting to present his actuarial report and recommendations for the surcharges for the ERF and UEF for 2015. Rod reviewed a slide presentation (Handout). The recommendation for the 2015 surcharge is 3% for the ERF until it is fully funded and a .40% for the UEF to keep it funded.

Discussion of the surcharges was held.

Jeff Rowley moved that the Council adopt a 3% surcharge for the ERF and a .35% surcharge for the UEF. Brandon Dew and Reo Castleton both seconded the motion. Motion passed with one dissenting vote (Dave Davis).

Dave Lamb mentioned that the contract for actuarial services with Deloitte is coming to an end. He expressed his appreciation to Rod Morris for all of his work. The contract for actuarial services will be up for bid.

Legislative and Rule-Making Matters

Commissioner Hayashi asked Ron Dressler to review the status of the Medical Fee Schedule. Ron stated that the changes that were adopted in the April meeting will be put into the rule and submitted to Administrative Rules by the end of September.

Commissioner Hayashi asked Jaceson Maughan to present the proposed change to R612-500 the Reemployment Act rules. Deputy Commission Maughan stated that with the legislative action taken to move the necessary parts of the Reemployment act into the Workers Compensation Act, these rules are no longer needed. He proposed that the rules be repealed.

Dave Davis moved to repeal the rules. Brian Kelm made a substitute motion to allow the Council to review the rule and statute, to assure that all have been taken care of. Brandon Dew seconded the substitute motion. The Motion passed with one dissenting vote (Dave Davis). The Commission will bring the matter back to the council at its next scheduled meeting.

Other Business

Commissioner Hayashi reviewed the schedule of Council meetings for 2015. January 14, April 8, July 8 and September 9, all beginning at noon.

Jeff Rowley asked the Commission to gather information on what is a comfortable /reasonable amount of the excess in the UEF and ERF. He also asked that the Commission contemplate legislative action to set forth what would happen to the excess funds in the ERF when all liabilities have been met.

Brandon Dew moved to adjourn the meeting. Voting was unanimous in the affirmative.

Meeting adjourned at 1:40 pm.